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HIGHLIGHTS

PAY EQUITY IN THE PRIVATE AND BROADER PUBLIC SECTORS

Highlights of The Bill

Purpose

The purpose of the legislation is to eliminate gender-based pay discrimination in the private and broader public sectors.

Scope

The bill will cover all employers in the broader public sector -- which includes municipalities, school boards, universities and hospitals.

It will also apply to all private sector employers with 10 or more workers.

Both full-time and permanent part-time employees will be covered by the legislation.

Job Comparisons

Jobs being performed primarily by women will be compared with jobs held primarily by men.

To be eligible for comparison, a job category generally must be at least 60 per cent female or generally 70 per cent male dominated.

Such comparisons will be limited to an employer's own establishment. In other words, comparisons will not be made between the compensation provided by one employer and that provided by another.

An establishment is defined under this legislation as a corporate entity within a specific geographical region. A company with a warehouse in Ottawa and office headquarters in another location of the same city, for example, will be considered one establishment. If the same employer has a warehouse in Peterborough, however, it will not be necessary for the jobs in Peterborough to be compared with the jobs in Ottawa.

In unionized female-dominated groups, job comparisons should be made within the bargaining unit first. If no male-dominated comparison group is available, any male-dominated group of comparable value within the establishment can be used for comparison instead.

Similarly, for non-unionized female-dominated groups, job comparisons first should be made among non-unionized employees. If there is no male-dominated job class, once again comparisons can be made within the entire establishment.

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When pay adjustments are necessary, the adjustment will be made to at least the level of pay of the lowest paid male-dominated group of comparable value.

Implementation Process

The legislation places the onus on both employers and employees to ensure that pay equity is established.

Employers (and bargaining agents, if applicable) will first be required to review workers' salaries and identify any pay inequities in female-dominated job categories. Wage adjustments must then be made to compensate the underpaid employees.

The development of a pay equity plan prior to making wage adjustments is not mandatory for private sector firms with fewer than 100 employees. It is mandatory for all other employers, and these plans must be made available to their employees.

An employer's plan(s) will be considered approved if the employees do not raise concerns, or (if applicable) their bargaining agents agree. In this case, the employer will not be required to file the pay equity plans with the government. If employer/employee agreement cannot be reached, the Pay Equity Commission is available to resolve the issue.


Employers will begin making wage adjustments at specified dates whether or not they are required to prepare plans. During this phase, employees may lodge complaints with the Pay Equity Commission for three reasons: the pay equity plan has not been implemented; circumstances have changed within the company (for example, new job groups have been created); or there have been other contraventions of the legislation.

Timetable

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| Two years after the bill is proclaimed | -- | Wage adjustments to start for the broader public sector. |
| Three years after the bill is proclaimed | -- | Wage adjustments to start for large private sector companies with 500 employees and over. (Forty-nine per cent of women in the private sector work for employers in this category.) |
| Four years after the bill is proclaimed | -- | Wage adjustments to start for private sector companies with 100-499 employees. |
| Five years after the bill is proclaimed | -- | Wage adjustments to start for private sector companies with 50-99 employees. |
| Six years after the bill is proclaimed | -- | Wage adjustments to start for private sector companies with 10-49 employees. |

Pay Equity Commission

The Pay Equity Commission will be established to administer and monitor the implementation of the legislation. This agency will provide educational and consultative services to employers, unions and employees.



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If there are complaints from employees, commission staff will investigate them. Complaints that cannot be resolved at this level will be referred to the commissioners for a hearing. The commission may order compliance and, if necessary, a court may impose fines.

Pay Equity Adjustments

Employers will not be required to make pay equity adjustments exceeding one per cent of the previous year's payroll.

Pay equity adjustments are required only for workers in female-dominated job categories. No employees' wages can be reduced in order to achieve pay equity.

Employees in the lowest paid job categories will receive their pay equity wage adjustments at a faster rate, in recognition of their greater economic needs.

Allowable Wage Differences

Even though jobs have been found to be of comparable value, certain differences in pay will be allowed. But employers must be prepared to justify them and to prove they are not the result of gender bias. Allowable differences would be those resulting from:

- o Seniority
- o Temporary training assignments
- o Merit pay
- o Red-circling
- o Skills shortages

Job Value

Employers will rely on the job comparison methods of their choice to compare the jobs of their employees. Methods must be free of gender discrimination, however, and the criteria for job comparisons should include skill, effort, responsibility and working conditions.

Unionized Workplaces

In unionized workplaces where a pay equity plan is mandatory, a union will negotiate a pay equity plan with the employer as part of the collective bargaining process. If agreement cannot be reached, the Pay Equity Commission is available to resolve the issue.

Where a pay equity plan is not mandatory, employers and unions may choose to negotiate such a plan on their own initiative.

Copies of the bill are available from:

Ontario Women's Directorate
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900 Bay Street
Toronto, Ontario
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